

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 77048 / February 3, 2016

INVESTMENT ADVISERS ACT OF 1940
Release No. 4326 / February 3, 2016

INVESTMENT COMPANY ACT OF 1940
Release No. 31983 / February 3, 2016

ADMINISTRATIVE PROCEEDING
File No. 3-15471

In the Matter of

**SARKAUSKAS AND
ASSOCIATES, INC. and
JAMES M. SARKAUSKAS**

Respondents.

**ORDER APPROVING
PLAN OF DISTRIBUTION**

On September 13, 2013, the Securities and Exchange Commission (“Commission”) issued an Order Instituting Cease-and-Desist Proceedings pursuant to Section 15(b) of the Securities Exchange Act of 1934, Sections 203(e), 203(f) and 203(k) of the Investment Advisers Act of 1940, and Section 9(b) of the Investment Company Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Order”) against Sarkauskas and Associates and James M. Sarkauskas (collectively, “Respondents”).¹ The Order found, among other things, that Respondents purchased for their clients unit investment trust (“UIT”) units that included transactional sales charges without disclosing that identical UIT units with no transactional sales charges could be purchased. Respondents’ failure to disclose this information resulted in their substantially increasing their compensation at the expense of their clients, which created a conflict of interest. The Order required Respondents to pay disgorgement (\$331,433.98), prejudgment interest (\$18,403.22) and a civil monetary penalty (\$100,000). In accordance with the Order, Respondents paid a total of \$449,837.20 in disgorgement, prejudgment interest, and civil monetary penalties to the Commission.

The Order created a Fair Fund pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, as amended, for the funds paid by the Respondents (the “Fair Fund”). The Fair Fund is

¹ Exchange Act Release No. 70388 (Sep. 13, 2013).

subject to the continuing jurisdiction and control of the Commission and the Fair Fund is currently on deposit in a Commission designated interest-bearing account at the United States Department of the Treasury.

On December 24, 2015, the Commission published a Notice of Proposed Plan of Distribution and Opportunity for Comment² (“Notice”) pursuant to Rule 1103 of the Commission’s Rules on Fair Fund and Disgorgement Plans.³ The Notice advised interested parties that they could obtain a copy of the proposed Plan of Distribution (“Plan”) from the Commission’s public website at <http://www.sec.gov/litigation/fairfundlist.htm> or by submitting a written request to Michael S. Lim, United States Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-5631.

The Notice also advised that all persons desiring to comment on the Plan could submit their comments, in writing, no later than thirty (30) days from the publication of the Notice (1) to the Office of the Secretary, United States Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090; (2) by using the Commission’s Internet comment form (<http://www.sec.gov/litigation/admin.shtml>); or (3) by sending an e-mail to rule-comments@sec.gov. The Commission received no comments on the Plan.

The Fair Fund is comprised of the amounts of disgorgement (\$331,433.98), prejudgment interest (\$18,403.22) and a civil monetary penalty (\$100,000). As set forth in the Plan, the proposed methodology allocates the Fair Fund by calculating the Total Overage plus Lost Interest Earnings to calculate the Total Present Value Harm suffered for each Eligible Investor. If the Net Fair Fund is less than the Total Present Value Harm, Eligible Investor’s will receive their *Pro Rata* share of the Net Fair Fund.

The Division of Enforcement now requests that the Commission approve the Plan.

Accordingly, it is hereby ORDERED, pursuant to Rule 1104 of the Commission’s Rules on Fair Fund and Disgorgement Plans,⁴ that the Plan is approved.

For the Commission, by its Secretary, pursuant to delegated authority.

Brent J. Fields
Secretary

² Exchange Act Release No. 76775 (Dec. 24, 2015).

³ 17 C.F.R. § 201.1103.

⁴ 17 C.F.R. § 201.1104.